

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: January 1, 2007

Leaf No. 141  
Revision: 4  
Superseding Revision: 1

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd)

(5) Self-Generation Deferral Incentive ("SGDI"):

As provided in General Information Section 11, this provision is no longer available to additional customers on or after January 1, 2007. Existing customers will not have the option to renew at the end of their 36-month term.

Customers who qualify for the Self-Generation Deferral Incentive (SGDI) under Section 11 of the General Information section of this Schedule shall take service under the applicable NYSEG Fixed Price Option (FPO) rate, as specified in this Service Classification and Section 25, Pricing Options Effective January 1, 2007.

Such customers will have their service bills subject to a cents per kilowatt-hour price cap in accordance with the SC No. 7 Special Provision (d)(6), Self-Generation Deferral Incentive.

(6) Incubator Development Incentive ("IDI"):

As provided in General Information Section 13, this provision is no longer available to additional customers on or after January 1, 2007. Existing customers will be permitted to transition to the Incremental Load Incentive (ILI) as described in Special Provision (f).(8). Incremental Load Incentive and General Information Section 19.

Customers who qualify under the Incubator Development Incentive (IDI) in Section 13 of the General Information section of this Schedule prior to July 1, 2003 shall take service under the applicable NYSEG Fixed Price Option (FPO) rate, as specified in this Service Classification and Section 25, Pricing Options Effective January 1, 2007, for the qualified incented load.

Such customers will have their service bills reduced by an incentive rate of \$.025 per kilowatt-hour for all qualified kilowatt hours thereunder.

Customers who qualify under the Incubator Development Incentive (IDI) in Section 13 of the General Information section of this Schedule on or after July 1, 2003 may select the applicable NYSEG Fixed Price Option (FPO) or the ESCO Option with Supply Adjustment (EOSA) for the qualified incented load.

Such customers will have their service bills reduced by an incentive rate of \$.0124 per kilowatt-hour for all qualified kilowatt-hours used thereunder.

Under the EOSA, the market-based backout will not include the Additional Component as described in this Service Classification and General Information Section 16.D., General Retail Access.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York